
By: **Prince George's County Delegation**
Introduced and read first time: February 4, 2004
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Tax Sales - High-Bid Premium**
3 **PG 404-04**

4 FOR the purpose of altering the calculation of a certain high-bid premium imposed on
5 sales in Prince George's County; and generally relating to the calculation of the
6 high-bid premium at tax sales in Prince George's County.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - Property
9 Section 14-817
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Tax - Property**

15 14-817.

16 (a) (1) (i) The sale shall be held on the day and at the place stated in the
17 notice by advertising.

18 (ii) The sale shall be held in the county in which the land to be sold
19 is located.

20 (iii) If the sale cannot be completed on that day, the collector shall
21 continue the sale as determined by the collector and announced to the bidders at the
22 sale until all property included in the sale is sold.

23 (2) All sales shall be at public auction to the person who makes the
24 highest good faith accepted bid, in fee or leasehold, as the case may be.

1 (3) (i) The collector shall retain any common law or other authority
2 normally granted to an auctioneer conducting a public auction and may refuse to
3 accept bids that are not made in good faith.

4 (ii) The collector may delegate this authority to an auctioneer.

5 (4) The conduct of the sale shall be according to terms set by the
6 collector, and published with a reasonable degree of specificity in the public notice of
7 the tax sale, to ensure the orderly functioning of the public auction and the integrity
8 of the tax sale process, including requirements that potential bidders:

9 (i) establish their eligibility for bidding by presenting evidence of
10 the legal existence of the bidding entity that is satisfactory to the collector;

11 (ii) limit their representation at a tax sale to no more than a single
12 agent per bidding entity; and

13 (iii) refrain from any act, agreement, consent, or conspiracy to
14 suppress, predetermine, rig, or fix the bidding at the sale.

15 (5) (i) If determined by the collector to be in the best public interest
16 and included in the required public notice of the sale, the collector may solicit and
17 accept bids from the highest bidder for any group of properties to be sold at the tax
18 sale.

19 (ii) 1. Upon the request of any individual or group, the collector
20 may remove any individual property or properties from a group of properties to be
21 sold at the tax sale.

22 2. Upon the request of the property owner at least 15 days
23 before the date of the tax sale, the collector shall remove any individual property or
24 properties from a group of properties to be sold at the tax sale.

25 (iii) The collector shall provide notice to the potential bidders of any
26 alterations to a group of properties at the time the bidders become known.

27 (iv) The collector may conduct the sale of a group of properties
28 under this paragraph by a sealed bid process.

29 (v) Except in Montgomery County, the collector shall establish a
30 high-bid premium under subsection (b)(2) of this section for all properties to be sold:

31 1. in groups; or

32 2. by sealed bid process.

33 (b) (1) Except as provided in subsection (c) of this section, property may not
34 be sold for a sum less than the total amount of all taxes on the property that are
35 certified to the collector under § 14-810 of this subtitle, together with interest and

1 penalties on the taxes and the expenses incurred in making the sale, and the lien for
2 the taxes, interest, penalties, and expenses passes to the purchaser.

3 (2) (i) The collector may establish a high-bid premium to be applied to
4 all properties to be sold at the tax sale.

5 (ii) Except as provided in subparagraphs (iii) and (iv) of this
6 paragraph, the high-bid premium shall be 20% of the amount by which the highest
7 bid exceeds 40% of the property's full cash value.

8 (iii) Except as provided in subparagraph (iv) of this paragraph, in
9 Baltimore City AND PRINCE GEORGE'S COUNTY, the high-bid premium shall be 20%
10 of the amount by which the highest bid exceeds the greater of:

11 1. the lien amount; or

12 2. 40% of the property's full cash value.

13 (iv) For property assessed under agricultural use assessment, the
14 high-bid premium shall be 20% of the amount by which the highest bid exceeds the
15 appropriate value determined by the collector.

16 (v) In addition to the amounts payable under paragraph (1) of this
17 subsection, the highest bidder shall pay a high-bid premium if the collector:

18 1. determines that a high-bid premium shall be used for the
19 tax sale; and

20 2. indicates in the public notice of the sale that the high-bid
21 premium will be applied.

22 (vi) The collector shall refund the high-bid premium, without
23 interest, to:

24 1. the holder of the tax sale certificate on redemption of the
25 property for which the high-bid premium was paid; or

26 2. the plaintiff in an action to foreclose the right of
27 redemption on delivery of a tax sale deed for the property for which the high-bid
28 premium was paid.

29 (vii) The high-bid premium is not refundable after the time required
30 under § 14-833 of this subtitle for an action to foreclose the right of redemption if
31 there has been no redemption and if an action to foreclose the right of redemption has
32 not been filed within that time.

33 (c) (1) In Baltimore City, abandoned property consisting of either a vacant
34 lot or improved property cited as vacant and unfit for habitation on a housing or
35 building violation notice may be sold for a sum less than the total amount of:

1 (i) all taxes on the property that are certified to the collector under
2 § 14-810 of this subtitle;

3 (ii) interest and penalties on the taxes; and

4 (iii) expenses incurred in making the sale.

5 (2) The collector shall establish a minimum bid for abandoned property
6 sold under this subsection.

7 (3) The person responsible for the taxes prior to the sale shall remain
8 liable to the collector for the difference between the amount received in the tax sale
9 under this section and the taxes, interest, penalties, and expenses remaining after
10 the sale.

11 (4) The balance remaining after the tax sale shall be included in the
12 amount necessary to redeem the property under § 14-828 of this subtitle.

13 (5) In a proceeding brought by the Mayor and City Council of Baltimore
14 City to foreclose the right of redemption under this subtitle, the complaint may
15 request a judgment for the city in the amount of the balance.

16 (6) The balance remaining after the tax sale is no longer a lien on the
17 property when:

18 (i) a judgment is entered foreclosing the owner's right of
19 redemption;

20 (ii) the deed is recorded; and

21 (iii) all liens accruing subsequent to the date of sale are paid in full.

22 (7) The Mayor and City Council may institute a separate action to collect
23 the balance at any time within 7 years after the tax sale if the plaintiff is a private
24 purchaser.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 July 1, 2004.